

## Message Text

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PAGE 01 NEW DE 09039 241219Z

ACTION NEA-10

INFO OCT-01 ISO-00 COME-00 EB-07 CIAE-00 INR-07

NSAE-00 NEAE-00 /025 W

-----074058 241222Z /40

P 241129Z JUN 77

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC PRIORITY 4299

LIMITED OFFICIAL USE NEW DELHI 9039

E.O. 11652: N/A

TAGS: ETRD, ETRV, US, IN

SUBJECT: UPDATE ON WESTINGHOUSE GAS TURBINE BIDS

REF: (A) NEW DELHI 8741, (B) NEW DELHI 8338 (C) STATE 139162

1. WE HAVE BEEN IN CONTACT WITH LYN SAUNDERS, VICE PRESIDENT-FAR EAST, WESTINGHOUSE THROUGHOUT PAST WEEK.

2. ON JUNE 23, ECON COUNSELOR TELEPHONED DR. H.N. SHARAN, DIRECTOR OF ENGINEERING, BHEL AND CHAIRMAN OF TECHNICAL COMMITTEE EVALUTATING GAS TURBINE BIDS. DR. SHARAN STATED THAT WESTINGHOUSE WAS STILL ON LIST OF SUPPLIERS FOR MAHARASHTRA IN RECOMMENDATION SENT FORWARD TO GOI, BUT THAT WESTINGHOUSE BID WAS NOT COMPETITIVE IN PRICE AND ITS CHANCES WERE SLIM ON THAT TENDER. (SAUNDERS CONFIRMS THIS IS SITUATION REGARDING MAHARASHTRA TENDER.)

3. REGARDING KARNATAKA BID, DR. SHARAN SAID TECHNICAL COMMITTEE WAS MEETING THAT DAY, JUNE 23, AND WESTINGHOUSE WAS IN GOOD POSITION. ECON COUNSELOR AGAIN REITERATED POINTS ON TECHNOLOGY TRANSFER AND BUY-BACK PROVISIONS OF WESTINGHOUSE BID AND WESTINGHOUSE'S COMPETENCE IN GAS TURBINE AREA.

4. ON JUNE 24, SAUNDERS VISITED EMBASSY TO INFORM US THAT,  
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ACCORDING TO WESTINGHOUSE'S "INSIDE SOURCES", TECHNICAL COMMITTEE COULD NOT REACH AGREEMENT IN JUNE 25 MEETING ON RECOMMENDING A SUPPLIER FOR KARNATAKA. BHEL AND GOI CENTRAL ELECTRICITY AUTHORITY ARGUED STRONGLY FOR WESTINGHOUSE, BUT KARNATAKA FAVORED AEG. COMMITTEE DID AGREE TO ABIDE BY DECISION OF HIGHER LEVEL GOI COMMITTEE IN AWARDING OF CONTRACT. REPORT OF MEETING OF TECHNICAL COMMITTEE IS TO BE FORWARDED

TO GOI MINISTRY OF ENERGY ON MONDAY, JUNE 27.

5. ALTHOUGH SAUNDERS WOULD NATURALLY HAVE PREFERRED A RECOMMENDATION BY TECHNICAL COMMITTEE FAVORING WESTINGHOUSE, HE IS ENCOURAGED BY OUTCOME AND BELIEVES WESTINGHOUSE HAS "BETTER THAN 50 PERCENT CHANCE" BECAUSE BHEL, CENTRAL ELECTRICITY AUTHORITY, AND SECRETARY, HEAVY INDUSTRIES AND CHAIRMAN BHEL, V. KRISHNAMURTHY, ALL PART OF CENTRAL GOVERNMENT, FAVOR WESTINGHOUSE.

6. ECON COUNSELOR INFORMED SAUNDERS THAT AMBASSADOR IS SCHEDULED TO PAY COURTESY CALL ON MINISTER P. RAMACHANDRAN, MINISTRY OF ENERGY, ON JUNE 25 AND PLANS TO MENTION WESTING-

HOUSE GAS TURBINE BIDS TO MINISTER.

GOHEEN

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## Message Attributes

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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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